

**ECONOMIC DEVELOPMENT & ENERGY COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE**

Minutes

A meeting of the Economic Development and Energy committee of the Suffolk County Legislature was held at the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, NY 11787 on Monday, **March 11, 2002** in the Rose Y. Caracappa Auditorium at 10:30 A.M.

Members Present:

Legislator Jon Cooper, Chairman
Legislator Fred Towle, Vice Chairman
Legislator Allan Binder, Member
Legislator Vivian Fisher, Member
Legislator George Guldi, Member

Also in Attendance:

Paul Sabatino, Counsel to the Legislature
Nicole DeAngelo, County Executive's Office
Allen Leon, Townline Association
Jeff Heller, Townline Association
Peter Quinn, Self
Anita Flanagan, Manager, Iroquois Gas Transmission Sys.
Bill Stanley, Iroquois Gas Transmission Sys.
Gina Fuller, Iroquois Gas Transmission Sys.
Rosemary Leitz, Iroquois Gas Transmission Sys.
Walter Hoefer, LIPA
Vincent Frigenta, KeySpan
Barbara LoMoriello, Aide to Legislator Cooper
Alice Amrhein, Economic Development
Judith Fischer, President, Omni Consulting, Inc.
Kevin Duffy, Budget Review Office
Gordian Raacke, CAP
Todd Johnson, County Executive's Office
Nanette Essel, Aide to Legislator Fisher
Eben Bronfman, Aide to Legislator Guldi
Emi Endo, Newsday

B.J. McCartan, Aide to Presiding Officer Tonna
Jim Dobkowski, Aide to Presiding Officer Tonna
All other interested parties.

Minutes taken by:

Eileen Schmidt, Legislative Secretary

(The meeting was called to order at 11:20 A.M.)

CHAIRMAN COOPER:

Good morning. I'd like to welcome everyone to the March 11th meeting of the Economic Development and Energy Committee. Legislator Towle if you could lead us in the pledge, please.

SALUTATION

LEGISLATOR FISHER:

Mr. Chairman, if we could have a moment of silence marking the sixth month anniversary of

September 11th.

MOMENT OF SILENCE

CHAIRMAN COOPER:

Thank you.

LEGISLATOR FISHER:

Thank you.

CHAIRMAN COOPER:

First of all I apologize in the delay in starting this meeting and as a result of the delay Legislator Towle will mostly have to leave before the end of the meeting. So I'd like to move first to the agenda then we'll go back to the speakers. The first tabled resolution,

Tabled Resolutions

1023-02 (Non P) Repealing Energy Conservation Tax (Caracciolo) Is there a motion?

LEGISLATOR FISHER:

Make a motion to table.

CHAIRMAN COOPER:

I second that motion.

LEGISLATOR GULDI:

Could I have an agenda, please?

MS. LOMORIELLO:

You got it.

LEGISLATOR FISHER:

My cracker jack staff had my agenda ready for me.

LEGISLATOR TOWLE:

Is that your Legislative staff or your congressional staff.

CHAIRMAN COOPER:

We have a motion to table and a second. All those in favor? Opposed?

SPEAKER: (inaudible)

Opposed.

CHAIRMAN COOPER:

Resolution 1023 is tabled. **(Vote: 4-1-0-0)** Moving on to,

1050-02 (P) Authorizing Retrofitting of Traffic Lights with LED Fixtures (Cooper) I make a motion to table.

SPEAKER:

(inaudible)

CHAIRMAN COOPER:

All those in favor? Opposed? Resolution is tabled. **(Vote: 5-0-0-0)**

Sense 4-02 (Non P) Memorializing Resolution Requesting State of New York to Authorize Lottery for Suffolk County (Cooper) Even though I still like the idea I'm going to make a motion to table.

LEGISLATOR FISHER:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? Resolution is tabled. **(Vote: 5-0-0-0)** Moving on to introductory resolutions.

Introductory Resolution

1257. Approving the reappointment of Fred Lee as a member of the Long Island Market Authority. (Co. Exec.) I make a motion to approve. These are all reappointments.

LEGISLATOR GULDI:

I'll second the motion.

LEGISLATOR TOWLE:

Mr. Chair.

CHAIRMAN COOPER:

Please.

LEGISLATOR TOWLE:

Counsel, when was Mr. Lee first appointed?

MR. SABATINO:

He was the year 2000, which was two years ago.

LEGISLATOR TOWLE:

Thanks. I mean, not being a member of this committee I would have preferred to see all the people that we're going to appoint, whether reappointments or new appoints at least appear before the committee. So I'm going to make a motion to table this and any of the others that are not here.

LEGISLATOR FISHER:

I second that motion. I don't know the nominees at all, but I was not on the committee either and I would prefer to --

CHAIRMAN COOPER:

Well, I'll just say first of all, the County Exec's Office did ask me whether it was necessary for these individuals to come before the committee. The policy now is that if they're new appointments they should appear before the committee. If they're reappointments I believe it's really left up to the Chair. I didn't feel that it was necessary, but we do have a motion to table --

LEGISLATOR GULDI:

On the motion.

CHAIRMAN COOPER:

Yes.

LEGISLATOR GULDI:

With respect to the -- these reappointments in the event that they're not decided by the Legislature they'll continue to serve, is that correct, Counsel?

MR. SABATINO:

They'll be holdovers, yes.

LEGISLATOR GULDI:

All right. With regard to the policy and the new members here I do want to say that I don't disagree with you in terms of the appointment of new members, Mr. Lee, however, I've known since at least about 1968 --

LEGISLATOR TOWLE:

Are you trying to hurt his appointment?

LEGISLATOR GULDI:

I didn't say he liked me, but I've known him for a very long time. His family had been in the farming industry and I would highly recommend him in any event. I don't think I'll vote to table his resolution because of that personal knowledge. The rest of the appointees I have no personal knowledge of.

CHAIRMAN COOPER:

So once again on IR 1257 we have a motion to table and a second. All those in favor? Opposed?

LEGISLATOR GULDI:

Opposed.

CHAIRMAN COOPER:

I'm opposed. Resolution 1257 is tabled. **(Vote: 3-2-0-0)**

LEGISLATOR FISHER:

Mr. Chairman, I would like to request that the five appointees be invited to come before this committee at our next meeting?

CHAIRMAN COOPER:

It's four appointees.

LEGISLATOR FISHER:

Four, I'm sorry. Okay. And as I said not because I have any hesitation regarding their appointment on paper, but I just like to make it a practice to at least meet the person for whom I'm voting.

LEGISLATOR TOWLE:

Mr. Chairman, just add my two cents for what it's worth. I'd obviously like to know what they've been doing over the last two years on the Long Island Market Authority or any of the other boards that we're going to appoint people to whether they're a reappointment or a new appointment for that matter just from my perceptive.

CHAIRMAN COOPER:

Your requests are so noted. Moving on to IR 1258.

1258. Approving the reappointment of John Ross as a member of the Long Island Market Authority. (Co. Exec.)

LEGISLATOR TOWLE:

Motion to table.

LEGISLATOR FIELDS:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? 1258 is tabled. **(Vote: 5-0-0-0)**

1259. Approving the reappointment of John German as a member of the Long Island Market Authority. (Co. Exec.)

LEGISLATOR TOWLE:

Motion to table.

LEGISLATOR FISHER:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? 1259 is tabled. **(Vote: 5-0-0-0)**

1260. Approving the reappointment of James Stark as a member of the Long Island Market Authority. (Co. Exec.)

LEGISLATOR TOWLE:

Motion to table.

LEGISLATOR FISHER:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? 1260 is tabled. **(Vote: 5-0-0-0)**

1267. Allocating Downtown Revitalization Funds (Phase IV). (Tonna) I make a motion to approve.

LEGISLATOR GULDI:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? Resolution 1261(sic) 1267. **(Vote: 5-0-0-0)**

Sense Resolutions

13 - 02 - Memorializing resolution requesting State of New York provide equitable distribution of tourism promotion funds. (Cooper) Make a motion to approve.

LEGISLATOR FISHER:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? Sense 13 is approved. **(Vote: 5-0-0-0)**

14 - 02 - Memorializing resolution requesting State of New York not to transfer State Cultural Affairs Division to Governor's Office. (Lindsay) Is there a motion? Explanation, please.

MR. SABATINO:

Well, the Governor's budget proposes that the particular office be transferred to the Governor's Office where it currently resides which is in the State Education Department. The State Education Commissioner is opposed to that move. This deals with really things like access to, you know, to records in libraries, museums and whatever; this would suggest that the transfer not take place. County Clerk, Ed Romaine, recently wrote a letter in support of this concept of not transferring another division. Apparently, he has some impact on what he's doing.

LEGISLATOR FISHER:

Motion to approve.

LEGISLATOR GULDI:

There is one.

LEGISLATOR FISHER:

Oh, there is one?

CHAIRMAN COOPER:

No, I don't think there was.

LEGISLATOR FISHER:

Well, then I'll make a motion to approve.

LEGISLATOR GULDI:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed?

LEGISLATOR TOWLE:

Opposed.

LEGISLATOR BINDER:

Opposed.

CHAIRMAN COOPER:

Resolution is approved. **(Vote: 3-2-0-0)** Okay, thank you very much. We're now going to move on to the public portion. We have two speakers before we get to our presentation. First is Allen Leon, representing the Townline Association.

MR. LEON:

Good morning.

CHAIRMAN COOPER:

If you could please state your names for the record.

MR. LEON:

Good morning. My name is Allen A-L-L-E-N last name is Leon L-E-O-N. I'm president of Townline Association and with me today is Jeff Heller who's the head of the advisory counsel of Townline. With your permission, sir, I would like to distribute a package of papers to the committee members so that they can follow along. First, I would like to say hello and welcome the new members of the Energy Committee and I appear today to give the committee an update on the Townline Association and the Kings Park Energy proposal and Townline's opposition to same.

First of all, for the new members that have not had to suffer through my presentations before Townline Association was formed by residents of the Commack, East Northport, Kings Park, Fort Salonga, Dix Hills communities to oppose the siting of a Kings Park Energy Power Plant on Townline Road. Currently, we are supported by over 23,000 participants. I would like to and this will be one of the few times that I will not be quoting my grandfather, but Albert Einstein said that the problems that we face can not be solved by the same level of thinking that created them. Keeping this in mind I would like to make some comments on general electric overview for Suffolk County and please understand that although Townline is opposing the Kings Park Energy proposal many of the issues are countrywide and affect all of the residents of Suffolk County.

One the first page of the handout is a quick summary and I apologize that it's in my handwriting. Please understand that my high school English teacher said the only way I was going to pass English was to go to Mexico and take it as a foreign language. I have outlined briefly here all of the electric projects that are on the table right now for Suffolk County. We have the A&P in Yaphank at 580 megawatts. The Neptune Project, now this one has not

been widely advertised so what I've done is behind this sheet I have given you two outlines of the Neptune Project; it was taken off the Internet which you can take a look later.

Phase I of Neptune brings in 600 megawatts to Long Island; Phase II brings in 1200 to the East End. We have the Cross Sound Cable of 300 and we have the Peaker Plants as we call them the turbine powered situations in Brentwood, Shoreham, Freeport, Glen Wood Landing, Bethpage and Rockaway. We all so have Spagnoli Road at 250 megawatts. If you add all of these up you get somewhere over 3300 megawatts and I have included after the Neptune handouts on your -- in your package a letter from Maureen Helmer to Richard Kessler dated October 10, 2001. Now page two of that letter, Miss Helmer concludes that Long Island needs 4 to 500 (sic) 400-500 megawatts of new generating capacity and zero to 100 per year for growth and reserve. If you take your slide rule out and put that formula to over 3300 megawatts you come up somewhere in the neighborhood of 20 to 25 years that we're taking care of for the future. Even if one of two of these projects were not to be successful we have a minimum of 15 to 20 years taken care of.

The only hook that the Public Service Commission would have after reviewing the need and we'll get into the need versus impact in a few minutes, but the need would be competition. The Public Service Commission and members in Albany have said that by building new plants you create competition and drive down the price of electricity. I offer up as evidence on the next series of papers in your package on the recent behavior, if you will or modus operandi for you attorney's of what PPL has done in Montana. They have purchased Montana Power and Light and raised the cost of electricity so high that they have put two major businesses, industries if you will, out of business and diverted the electric to the so called California area. As a result the Montana State Legislature is now is buying back the hydroelectric dam so that the people in Montana can afford to stay in Montana. So with regard to competition I'm not convinced that that is the way to go or at least having PPL responsible for competition.

On a need versus impact basis the next few documents that you'll see deal with the nearness to homes. If you look at this receptor grid that they have in their air modeling it goes out approximately a mile from the site. If you look at 5.2.8 which is the next document it shows that at the one mile radius there is 76% residential land use surrounding that facility or proposed facility. The next document is from -- directly from the applicants paper works submitted to Albany during the article (inaudible) process procedure and it shows a one mile radius from the site. You can see by this map how many residential homes are adjacent to the proposed plant, but more importantly if you look at the right hand low section of that map you'll see that this aerial photograph was taken April 8th, 1994. Now according to the GIS New York State situation this photograph is taken ever two years. Why would the applicant include a 1994 aerial photograph rather than a much more recent one? Well, the answer is is that much of the vacant land that you see on this photograph is now occupied by residential homes. So we can see here that the applicant is misleading and mischaracterizing the situation.

The next document is a more detailed radius map that the applicant, Pennsylvania Power and Light is included in their article 10 application. If you look at the black arrow that says site location it would lead one to believe that the location is parcel B, that it -- the arrow points to. There is a somewhat not dotted line, but an intermediate line that goes between B and C; again, it would lead one to believe and especially one sitting in Albany two and a half hour ride from Long Island that the site is further away from the residential homes then it actually is. In fact, parcel A, B, C and D are included in their site plan three volumes away from this and that the only distance between the applicant and the residential homes is in fact parcel E, which is the LIPA right of way which is only 67 paces wide; that's human paces too by the way. Again, a mischaracterization and a misleading situation by Pennsylvania Power and Light.

The next document in your package is a five mile radius map done by Toxics Targeting in New Jersey to scale which actually shows that there are over 55 public schools which in a five mile radius and in fact the North Ridge Public School which is only seven -- four tenths of a mile rather away and the Commack High School is seven tenths of a mile away. Again, this

deal needs to versus impact when you site a power generating facility so close to residential areas the dangers that it produces do not have time to diffuse.

The next series of documents are articles that talk about soot particles which is really particulate matter of less than 2.5 microns produced by this plant and it talks about studies that link soot particles to lung cancer, to premature death, to birth defects also. Again, if the plant was sited further away from residential areas this becomes less of a problem.

The last series of documents I have provided for you is an accounting of the New Milford, Connecticut Power Plant that was denied by the Connecticut Siting Counsel and they have some very important language here that I would reference. Number one, Pennsylvania Power and Light has told us of all the benefits that they would be giving to the community by developing this site. The Pennsylvania Siting Counsel says, however these benefits are limited and could potentially be provided by any entity seeking to develop a site and are not unique to the development of an electric generating facility. So a lot of the benefits that are proposed by Pennsylvania Power and Light are really the benefits of any appropriate development of the area and in fact a proposed power plant at that site would have a negative impact on future developments of the area because the power plant would be using up the margin of ambient area quality which would preclude any additional development in the area aside from the fact that who else would want to locate there if the plant was already there. So in fact, we're almost condemning that area to be the wasteland that it is without giving manifest destiny its chance to develop the area.

There is one further comment that I'd like to make before I would entertain any questions from the committee and that we must be extremely careful not to over produce electricity and become an exporter of same because electrons in dollars flow out of state, but the pollution stays here. So we must be mindful that we do not produce more electric than we need especially in light of the Federal government's proposal to connect Long Island to the electric corridor going up and down the East Coast. We believe that each community should share the burden of producing the electricity that it needs. One final comment is that this area right now and I say this area meaning our local area of East Northport, Commack, etc., already produces more than half of the daily requirements for electricity for Long Island. It is unfair to ask this community to add burden them with any additional generation for Long Island. At that point I would open up the microphone for any questions from the committee.

LEGISLATOR FISHER:

Mr. Leon, is there a reason why you did not include the Port Jefferson peaking unit in this on your front page?

MR. LEON:

It may have been an oversight.

LEGISLATOR FISHER:

Okay. Because that's another one.

MR. LEON:

It would probably just have been an oversight and I apologize and I thank you for that.

LEGISLATOR FISHER:

But I have a more pertinent question which is going back to your -- the radius map which indicated the A, B and C site location, how large is that area, A, B and C?

MR. LEON:

A, B, C, and D is 20.54 acres.

LEGISLATOR FISHER:

How large is footprint of the plant?

MR. LEON:

I would have to go back into the applicant's paperwork. The plant when you say plant we would have to define the plant because they have used almost all the area for ancillary buildings, condenser buildings, back start generator buildings, etc. so the developed area of the plant would be an aggregate and they're pretty much using the entire site except for an area in the middle that remains mysteriously vacant and we believe that this is left --

LEGISLATOR FISHER:

By the middle you mean were that number two is or --

MR. LEON:

Where number 8.2 is approximately.

LEGISLATOR FISHER:

8.2 --

MR. LEON:

Yeah. I did not give you a site plan of the actual property it's in the application, but if you, you know, again, my grandfather if it quacks like a duck and it swims like a duck then guess what? We have FOILED LIPA and we found that August letter dated August 1999, I believe, or 2000 I'm sorry I stand corrected, Counselor, 2000 where in an agent of PPL has suggested to LIPA that they plan on starting this project with six turbine at 300 megawatts and then upgrading it to six and leaving the center of this parcel open would accommodate the six extra turbine engines. But in direct response to your question it's A, B, C and D is the site.

LEGISLATOR FISHER:

Okay. So you're saying that the major structure -- but the major structure you don't know what the footprint of that buildings; there will be other ancillary buildings.

MR. LEON:

Yes, ma'am.

LEGISLATOR FISHER:

But you don't know the size of the different -- I was just curious as to whether the site location might actually be in B in the central part of that and have a buffer, you don't know what the plan looks like.

MR. LEON:

In actuality they're right up against the LIPA right of way with their electric buildings besides the actual turbines. They did spot the turbines further to the north, but they're using the entire site for ancillary buildings for the illegal storage or proposed illegal storage of hazardous material over an Article 7 recharge area, etc.

LEGISLATOR FISHER:

Thank you.

CHAIRMAN COOPER:

Any further questions? Allen, thank you very much for coming down.

MR. LEON:

Thank you for putting up with me. Thank you.

CHAIRMAN COOPER:

Our final speaker in the public portion is Phil Goldstein. Good morning, Phil.

MR. GOLDSTEIN:

Good morning all. I'm Phil Goldstein, 10 Rodney Street, Port Jefferson Station. I'm here with regard to the issue of an energy policy for Suffolk County although the ultimate reach of my proposal is to ultimately affect the energy policy of the United States itself. This Legislature is famous or infamous as being a maverick body. For one thing you've accomplished what the Congress of the United States hasn't accomplished and that is the

ability to work in a bi-partisan manner to satisfy the needs of your constituents and you set a very good example. I want to compliment the Legislature in that respect and in that regard that's the reason why I'm bringing forward this proposal because in the past things that you have done have impacted the State and ultimately the nation. Your smoking ban, your detergent ban; the bottle and can deposits, etc. The focus of my patriotic energy tax which is what I'm seeking to induce this Legislature to adopt is to involve the American people your constituents in Suffolk County initially, but going beyond in the war on terrorism. We have not been invited by our national government; there has been a lack of leadership in involving the public; we're at war. When I was a youngster in World War II the public were involved. We had gas rationing, we had meat rationing, we had various programs where the public was induced to become part of the war effort. Nothing is being done in this case and we have been subservient to Middle Eastern oil. Going back to President Carter, Carter tried to wean us off Middle Eastern oil by establishing alternative energy policies and unfortunately his relationship with Congress was such that he wasn't very successful and subsequently the Reagan presidency abolished the alternative energy efforts. He resorted to a market effort in dealing with the price of oil and the use of imported energy. And I think something needs to be done to enlist the American people in this war on terrorism. This is not going to be the war against Iraq and Kuwait. It's not going to be ten days or hundred days or whatever. This as the President of the United States has said is going to be a long drawn out agonizing campaign and we need a leverage to use against the Middle Eastern Countries and right now they have leverage over us. We are consuming more and more Middle Eastern Oil; we have to be weaned off that Middle Eastern Oil and we're not paying the real cost of energy. We're able by virtue of our wealth and power and our multi-national corporate interest to bring oil into this country at relatively low prices by comparison to what Europeans pay. And the American people in the past have paid higher prices for gasoline and they've moaned and groaned, but they did what they had to do and what I'm saying is we need leadership and I'm calling upon this body to start it rolling. A former Speaker of the House said all politics is local. Well, fine, let's start at the local level and let us impose a patriotic energy tax. Let us begin to tax the consumption of gasoline; let us drive these automobiles this SUV's which are unsafe according to all of the reports that we've seen in recent past plus they are gas guzzlers. They do not conform to the EPA standards. The big three has been able to manipulate the government standards in such a way that they can produce these cars and sell them to the American public alright by use of Madison Avenue trickery; alright to convince the American public that you need a car that is going to carry you off to the Tundra or up to the tops of mountain peaks or into the desert what have you and so on when none of us really need a vehicle of that type here on Long Island, all right. And they are gas guzzlers and they are great for the bottom line of the big three, but what about corporate responsibility to the national interest? We have got to induce the American people to start recognizing that they are risking the national interest through self-indulgence and we've got to try to get them to reduce this self indulgence. And therefore I'm calling upon you to impose a severe tax twenty-five cents a gallon perhaps on gasoline. It wouldn't raise the cost of gasoline above and beyond what we have paid in the not too distant past, but it would send a signal to the American people that it is time for them to enlist in the cause of the fight against terrorism. And it will give not only Suffolk County will it set the example, but I also suggest that concurrently you reach out to our neighbors in Nassau County and to New York City and perhaps to Westchester and New Jersey and invite them to join in this effort. Certainly, Nassau County can use the revenue; certainly, New York City can use the revenue and let's try to get the American people to enlist. I believe that the American people are hunger for that kind of leadership. I believe the American people are willing to make sacrifices in this kind of cause, but we have seen a lack of leadership to induce people to participate in such an activity. And by imposing this kind of tax I think you will give the people a feeling that they have become part and parcel of doing something to counter September 11th. Plus there are benefits to be derived; that money can enable you to do some things which I believe you should have undone. For example, you raise the price of the bus fare impacting upon the poorest elements of our community and affecting public transportation. We should be doing things to enhance public transportation and instead you're working against it. That twenty-five cents a ride increase is a 17% increase on the cost of transportation which should be nullified.

Furthermore, we should remove all sales tax from all alternative energy sources; get people

to buy cars. The automobile manufacturers are finally coming around to face the fact that society wants an energy efficient automobile. Well, let's induce people to buy. Right now those cars are somewhere in the neighborhood of \$20,000 plus and if you add on sales tax to that that becomes a significant amount. Let's take that sales tax off and induce people to spend the money to buy those kinds of cars instead of buying SUV gas guzzlers. Let's take the sales tax off solar panels on the roof. Why should we be subsidizing big power companies coming in here and putting in plants as this last gentleman was opposed to in creating these sites that affect our environment etc, and so forth? Why are we not providing every individual on Long Island the opportunity to subsidize their own electricity? The peak demands for electricity occur during the Summer time, well, if every home had a solar panels on the roof and by the way all of the experts I've attended seminars they all concur that Long Island is an ideal location for solar panel generated energy strangely enough. And this can be a win win situation not just for Long Island, but for upstate New York as well and you might speak to the Empire Development Authority and so on and Mr. Gargano that upstate they have hydro-electric power that comes in from Quebec that comes in from hydro-electric facilities in upstate New York that's clean energy. Clean energy can be used to produce the solar panels because solar panels, you take sand and that silicone has to be converted into the wafers that are used to generate electricity. Well, the recession has affected upstate New York; upstate New York is hungry for industry, fine, then let's get the Governor on board and let's make this a State policy and let's get plants built in upstate New York. Producing these solar panels which can then be sold downstate and employed on all of the houses and reduce the need to build a lot of these energy plants or to continue the use of these antiquated plants which are anti-environmental and are costly in the production of electricity. Let's start using our heads; let's show some political leadership. This body is capable of doing that. You have done it in the past as I have said, and I call upon you now to give thought to this and to devise the necessary laws to impose that patriotic energy tax and to divert those funds into various activities. Such as I've described here which will benefit the citizens and the ratepayers and the taxpayers of Long Island and help to bolster New York's economy. Thank you for listening.

CHAIRMAN COOPER:

Phil, thank you very much. We're now going to move to our presentation by Iroquois Pipeline. We have five very patient people that came to see us today. Anita Flanagan, Bill Hanson, Ken Stanley, Gina Fuller and Rosemary Leitz. Good morning.

MR. HANSEN:

Thank you, Mr. Chairman. Thank you, ladies and gentlemen of the commission. We have had an opportunity to meet with some of you before including the Chairman, so we will try to be concise if not brief.

CHAIRMAN COOPER:

If you could just state your names for the record.

MR. HANSEN:

I'm sorry. My name is Bill Hansen and I am with Iroquois Pipeline Operating Company and with me is Ken Stanley who is assigned to us as a consultant for engineering. You can see today and we're happy to be sitting back here because frankly I find this all very interesting, but clearly there are a lot of issues out there in the energy field today. We've just seen a part of them as we were sitting back here and out in the hallway. Also we're aware that there is a press conference at 1 o'clock that everybody has some interest in so we will again, try to be brief in our comments. But I thought I might just take a brief opportunity to tell some of you who may not be aware of who Iroquois is and what they do. To just give you a brief background on Iroquois I have a system map here that probably will serve no purpose cause you're not going to be able to see it, but this is New York State, this is Connecticut. Long Island Sound and Long Island. So hopefully, that at least comes through. You got to see, good. At any rate, Iroquois Gas, again, if you believe the urban myth began sometime in 1983 at some local restaurant/tavern on the back of a napkin; I think every big company

seems to have started that way at some point, but from that time it was clear to a lot of the people in the North East, particularly, in Connecticut and Long Island that they were being held captive to some degree. Kind of appropriate to a previous speakers comments by the only source that was coming to this area of the world coming from the South and Southwest of the United States. They thought it might be a good idea to maybe add some competition, again, something I've been hearing about very frequently of late by getting Canada to actually bring gas from Alberta across the expansive Canada and down into the Northeast. And frankly, we were fortunate to win a competitive battle at the time down in the late '80's with a number of other proposals, one of which was the Champlain Project would have come from Vermont and whatever, but we were successful at that time and we started construction. We received our first certificate in 1990 and started construction in 1991. It's a 375 mile buried pipeline, steel pipe, that basically starts at the border in Waddington, New York. It traverses New York State kind of southeasterly; enters in to Connecticut in Fairfield County, northern Fairfield County. Comes through Fairfield County over into a bit of New Haven County at Milford, Connecticut which is on the shore and from there about 30 miles of marine pipeline that is buried underneath the seabed on Long Island Sound to where we landfall at Northport where we're serving LILCO's plant at the time now KeySpan's plant which had been mentioned earlier. And then travel about nine miles down LILCO's, I'm sorry, KeySpan's right of way. I'm sorry LIPA; I'm getting these all confused. I guess that's not uncommon though, but at any rate we terminate at Commack right near the Pilgrim Substation.

Initially, we were certificated on the basis of about 500 million cubic feet a day. I'm sorry. We were certificated for about 500 million cubic feet a day. Since we began operation in '91 and through Waddington down to Wright, New York and from Wright, New York down to Commack in '92 they're basically a month apart; we have virtually doubled that volumes. We are currently sending out about a BCF a billion cubic feet of natural gas a day. We are really a trucking company; we just carrier the gas. Natural gas has been deregulated for some time, as you are probably well aware. So we do not own the gas, we do not produce the gas; we have no contact other than to transport it. People who purchase gas other places whether it be KeySpan or whether it be Southern Connecticut Gas in Connecticut. They make arrangements to purchase the gas and then they make arrangements with us to carry it where they need it. We interconnect with both Trans-Canada Pipeline, obviously, with Tennessee Pipeline, CNG and a number of major local distribution companies; that is our business. And like any good American company naturally we look to expand into new markets and where those markets exist. I don't think I have to tell you that over the last ten years the need for natural gas has increased tremendously and to the point that we can bring new sources of gas, Canadian Gas to that market place, well, that's our job.

In doing that we obviously look and explore the market and what we have done in. successful I might add over the last ten years is to look where we can expand the growth without really trying to do too much in terms of actual physical expansion. One way we can actually move more natural gas through our pipeline without again added more pipe is through the use of compressor stations and for intents and purposes these are pumping stations. So our pipe which is rated at 1440 PSI which is one of the largest pressure pipes in the Northeast certainly. It was basically just kind of gravity fed initially, but as you can imagine as people started to come to us and saying we need your gas and started taking that gas off our pipe that pressure starts to decrease. So one thing that we can do is add these compressor stations that actually allow us to put more gas into the pipe and build that pressure back up.

Since our inception we have been successful in adding three new compressor stations all in New York State, by the way, at Croghan, Wright, New York and our latest in Athens, New York. This again, allowed us to add gas to serve new markets and to increase the flow of gas. We have been studying for quite sometime, frankly, the need for natural gas in Long Island. I don't there's any secret and it doesn't seem to be any contentious thought that there is a need for growth of natural gas and new energy in Long Island. I, frankly, have been looking at Shoreham for probably well over six years ever since, you know, the of course the dull fated nuclear plant went down because you look at that and there is infrastructure that was already in place; existing plant there as well. Obviously, I'm not

alone, there were other people looking at that and you are I'm sure aware that there is competing project for our new project which we are calling Eastern Long Island or ELI. What we are proposing here is to take a new pipeline off our existing pipeline in the Sound. I'm sure you have heard my home state and I'm sorry to acknowledge this, but has been little recalcitrant if you will in terms of what they are willing to go for in terms of serving Long Island. I'm sure you're aware that initially the Trans Energy Project which was that 300-megawatt cable that was to go through New Haven was originally put aside by the Siting Council. They've subsequently been approved under a new location and is now just awaiting approval by the Army Corp. So hopefully that will happen, but that will be coming to Shoreham as well.

We have, again, looked at that problem and have had to deal with some of the problems that originally caused their demise and that was, frankly, the impact on the fishing and shellfish but, more importantly the oyster fields. We dealt with that ten years ago and I can tell you we're frankly still eating oysters. It was a long hard lesson so we understood that. One of the benefits to our project is that because we have an existing pipeline that has been there for over ten years and operating quite nicely, thank you, we have decided that we will tap that existing line in a submarine location past for all intents and purposes all those oyster leases. So the benefit to that is frankly that we get to start out in the Sound; we don't have to put any new pipe in Connecticut. We don't have to really deal with the oyster issue at all. From that point on it's approximately 20 miles till we get to Shoreham where we will landfall quite honestly just about the same location as competing projects which you maybe aware of, but KeySpan and Duke are proposing Islander East. From that point I have to say that there is probably a very little difference in terms of our two projects save the fact that they are proposing a 24 inch pipeline with volumes somewhere in the neighborhood of 250, 260 million a day and ours would be a 20 inch pipeline and we have estimated at the market really is more in the neighborhood of 170 million a day. The good news, however, with our pipeline is that because our ability to add compression and because we are really neonate in this business being only 10 years old and miniscule in comparison to some of these other pipeline companies we can still grow by adding compression. So as the market does develop in Long Island, as the need does increase for natural gas to fuel hopefully what I believe to be state of the art clean burning natural gas merchant power plants and based loaded plants and peaking plants. Iroquois can grow with that need and not by adding more pipe, but simply by adding more compressor stations which would be up stream either in Connecticut or upstate New York for that matter.

So in essence that's kind of our proposal. We are looking, again, to tie into the market. Tie in to KeySpan which we all ready do tie into KeySpan at the -- at our Commack location, but this would give Iroquois really the greatest flexibility of any project out there because what it would mean was that we would essentially have three pipelines connecting Long Island and New York City. We have just recently been approved by FERC to build what we've called the Eastchester Project which is taking a pipe from Northport, again, a marine pipeline the entire distance in Long Island Sound to Hunts Point where we will be giving gas to the Con Ed system the first new source of gas to New York City in over 40 years. And again, that's a project that essentially starting at 230, but can grow through the same type of method to well over 700 million a day. So what we're offering I think is tremendous flexibility; I think we are -- have -- really looked at the market realistically knowing that there are other projects out there that are going to be bringing megawattage and knowing that these peakers are going to be in place in a very short period of time. But it still knowing that at some point there will be new growth and there will be new need and being able to adjust for that. If you have any questions of me I'd be happy to answer them and if you would like to talk to -- in regards to the route that we are looking at Ken would be more than happy to go over that.

CHAIRMAN COOPER:

Legislator Fisher.

LEGISLATOR FISHER:

Bill, you're correct; I think it would be important for us to know precisely what the route is that would be followed. We did discuss it at the Energy Advisory Committee --

MS. SCHMIDT:

Speak into the mike.

LEGISLATOR FISHER:

You still can't hear me? I have it very close, how's that? Ken had described at the Energy Advisory Committee the route that the pipe would take and I think that's very important because we're concerned about the integrity of the Pine Barrens area and that not be disturbed in order to protect the environment here on Long Island. So, Bill, if you could just very quickly, not Bill, Ken rather you were going to quickly outline the route.

MR. STANLEY:

I hope I'm loud enough I'll try to use the mike as best I can. Like Bill had said our proposal is to tie into the existing Iroquois system in Long Island Sound presently. Our tie-in point would be a {Sub C Tap} tying into the existing line. Most of the main -- the assembly would happen on a barge type working facility such that the welding and the piecing together the assembly can be happening above on dry ground. Most of the assembly would happen there then dropped down to the bottom and tied in via what we call a hot tap welding on to the existing system. The route that we've taken across the Sound we did perform some preliminary hydrographic surveys to understand the sub-sea bottom relative to sands and soils and geological makeup. The route we've chosen is a route that primarily is a silty type bottom very soft material where as a -- our primary means of installation would be a plowing method where as the pipe is welded up on the barge and then dropped off -- lowered of the back of the barge and a plow would create a trench where the pipe could fall into and then the silts and fines would cover the pipe backup once we're past. We do have an alternative method for installation on the off shore section which is a jetting installation method where air jets create a trench, a V-type trench on the bottom to move the soils around and then, therefore, the pipe would be placed in the trench. Again, the backfill would happen kind of naturally as the waters go back and forth over the pipe and sands and silts would be replaced on top of the line.

So the route we've chosen is to pick those area where the sands and fines are more likely to occur and where to avoid rock, obviously, or hard till materials. Until we reach the shore on Long Island the Long Island shore which is the Shoreham Power Plant. I want to move to another graphic here.

LEGISLATOR FISHER:

Ken when you approach landfall on the Long Island side, how are you protecting the shellfish there? Because I understand that you are making the connection on the Connecticut side where there's an existing pipe, but when you reach landfall as you approach landfall we're coming back into the beds, the shellfish, aren't there beds?

MR. STANLEY:

I believe there hasn't been a -- the commercial fishing relative to the oyster beds happens on the Connecticut shoreline where as we're tapping on --

LEGISLATOR FISHER:

There would be no effect on the Long Island side?

MR. STANLEY:

I can't speak to the actual effect of that. Maybe our environmental folks can speak to that.

MR. HANSEN:

We have not seen or are aware of any oyster leases where we are planning to landfall.

LEGISLATOR FISHER:

Or any other shellfish?

MR. HANSEN:

Not that we are aware of.

LEGISLATOR FISHER:

Okay.

MR. STANLEY:

The approach to the shoreline, what we intend to do is actually will be proposing our primary means of installation would be an open cut situation at the shoreline which we believe would impact the area less relative to the amount of work space on the land side where we'd have to string pipe along and clear a little bit more right of way in order to make the approach to the shore.

LEGISLATOR GULDI:

If I could do a follow-up?

LEGISLATOR FISHER:

I'll yield.

MR. STANLEY:

Sure.

LEGISLATOR GULDI:

The question isn't about the existing of oyster leases which are commercial enterprise; the question is whether the natural conditions on the Shoreham landfall side of your proposed pipe and specifically, have you conducted benthic mapping of the bottom area you proposed to install the pipe in and what aquatic life forms and natural beds have you found in and at that site?

MR. STANLEY:

We have done bath metric surveys across the Long Island Sound; at the approach area we're still having -- we haven't conducted ground type surveys. We would consider a design type survey to understand contouring and so on at the approach.

LEGISLATOR FISHER:

But the telemetry wouldn't really indicate what kind of organisms are there.

MR. STANLEY:

Not necessarily; you would have to be an investigative --

LEGISLATOR FISHER:

Yes, but he's talking about bath metric.

LEGISLATOR GULDI:

I'm not asking about bath metric I'm asking about benthic. Do you have a proposal to do a benthic map to see what your site work will do on local aquatic situations?

MR. STANLEY:

I can get that answer for you. I can't answer that question right now.

LEGISLATOR FISHER:

No, because you're primarily looking at the geology and (bathymetric) readings --

MR. STANLEY:

That's correct.

LEGISLATOR FISHER:

But the telemetry and what asking about is the biological make up and the type of organisms that are there, which is probably what you're looking at. So we need to have that answered.

MR. STANLEY:

We can provide that answer for you at a later date. Also we have done our preliminary

environmental surveys on the shore route which is the dry land. Try and understand the Piping Plover if they're abundant in that area are not our survey show that we can perform and open cut approach to the shoreline without impacting that wild life habitat.

I'll move down the route here. Once we hit landfall we -- on to the KeySpan facility the KeySpan property it's our intention to occupy existing rights of ways as best as possible from an engineering and constructability perspective as well as minimizing the impacts to the environment. Once we've passed land -- the shore we pick up the existing car path that runs through the KeySpan facility. We're using that KeySpan car path as a primary route. We will enlarge it relative to some of the clearing that will take place to construct the pipeline. Once we come out of the car path area we see the street line here that's where we pick up the existing power line facility right of way and again, being occupied parallel and within that parallel right of way until we intersect with the William Floyd Parkway. The intention is to hold -- is to stay wholly within the William Floyd Parkway to minimize the amount of clearing along the obviously, alternative routes. This is our primary route. There was an alternative proposed awhile back that took us off of the William Floyd Parkway and on to a power line that crosses through the Brookhaven Laboratory however, that would require a significant amount of clearing therefore William Floyd is a much more desired route.

We haven't conducted our secondary surveys from a design perspective as yet, but our intention to occupy the eastside of the William Floyd Parkway maintaining a working corridor that would stay within the right of way limits. We did meet with Bill Shannon at the DPW who's in charge of the William Floyd who also indicated that he would favor the side of the highway that we are on as far as occupation is concerned. Our actual location within the William Floyd will deviate slightly once we do our secondary surveys to understand how much the William Floyd owns; what the topography impact would be. We have {ungulating} terrain out there; we do have existing utilities out there as well that would have to be avoided as best we can and or provide a alternative design for an additional utility.

As we go down the William Floyd once we approach the first interchange you see our deviation around the cloverleaf instead of going through it there is a wetland within one of the cloverleaf's. You can see on the upper right hand side that we're avoiding completely. So maintaining that methodology around the cloverleaf getting back up on the William Floyd again, again within the right of way. Our second deviation is a retention pond along the William Floyd; again, deviating wholly to avoid any -- it is a wetland, a listed wetland as well, which we're avoiding. Once the avoidance we get back on to the William Floyd till we come to a area that would -- of our crossing to which once we get on the west side of the William Floyd there's an existing cleared field which is privately owned. We haven't been in contact with the private landowner as yet to understand what his potential of development is. We have learns through some of our hearings and meetings that there's a proposed development, commercial development proposed for that area, however, we haven't spoken to that landowner specifically yet. However, it is our intention to use that existing cleared area for our pipe storage area where we would stage all our facilities from this location and move it down the pipeline as needed. Once exiting that cleared area, again, we're going to cross the Route 495 the somewhat parallel to the existing KeySpan facility which an existing pipeline along the south side of 495, again, through our secondary surveys once those begin we'll understand where they're located. It's our intent to be co-located or parallel to their facility.

We'll be crossing the Carmans River; our proposed crossing methodology for the Carmans River is a horizontal directional drill which would avoid any surface disruption to the environment at that location which was also the methodology that KeySpan implemented to cross the Carmans River as well. We intend to do the same thing. Then paralleling the Route 495 and along the County farm property to our tie-in point which would be a sales meter station at the KeySpan facility, existing KeySpan facility. Along the route we anticipate a few above ground facilities, one being the KeySpan metering facility at the end which would be a meter building and a controls buildings for our above ground siting. Mid stream we plan to have a mid stream valve which would take the alignment somewhere about the 6.5 mile mark; a mid stream valve in order to isolate the line better throughout

the route on land. There would also be a mainline valve at the landfall once crossing the Sound. So we have three mainline valves. One at the shore, one mid stream and one at the end. I'd welcome any questions also.

CHAIRMAN COOPER:

Thank you very much. No further questions? Bill, thank you very much for coming down. Ken I appreciate your time and patience.

MR. HANSEN:

Thank you for your time and opportunity. I -- just a question. I just did speak briefly with our environmental consultant and those tests will be done, Mr. Guldi. It will be part of our {offer} process.

CHAIRMAN COOPER:

That completes the presentation and I hereby move to adjourn the committee. Thank you.

(Having no further business the Economic Development and Energy Committee was adjourned at 12:25 p.m.)

{ } denotes spelled phonetically.